Implementing CALFED: The Next Steps for Balance

TESTIMONY

OF

BRENT E. WALTHALL

Before the

Water and Power Subcommittee

of the

House of Representatives Resources Committee

July 24, 2003

Washington D.C.

Implementing CALFED: The Next Steps for Balance

TESTIMONY

OF

BRENT E. WALTHALL

Before the

Water and Power Subcommittee

of the

House of Representatives Resources Committee

July 24, 2003

Washington D.C.

INTRODUCTION

My name is Brent E. Walthall. I am the Manager of the Bay-Delta Resources Division of the Kern County Water Agency. Other aspects of my experience and background are set forth in attached Exhibit A which is incorporated by reference.

The Kern County Water Agency is the largest agricultural water agency, and the second largest municipal water supplier on the State Water Project. The Agency provides irrigation water to districts serving almost one million acres of the most productive farmland in the world, and provides municipal water to districts serving about 300,000 residents of Kern County. The State Water Project serves water to over 22 million Californians and to well over a million acres of farmland.

We strive to look for "win-win" solutions to our water problems - solutions that benefit all stakeholders. CalFed held out that promise at its inception. It has had some successes, but it needs improvement to enable it to fulfill its promise. Chief among these is better communication and utilization of the knowledge and agreements developed through CalFed.

The Kern County Water Agency would like to express its gratitude to Chairman Calvert for his leadership and interest in California's water issues. Water is essential to maintaining California's economy and quality of life, and California has benefited from the leadership of Chairman Calvert. That strong leadership is essential to resolving California's water problems in a way that expands our economy and improves our quality of life. The Chairman's active involvement in California's two biggest water issues, CalFed and the Colorado River 4.4 Plan, have helped to move both issues closer to resolution. The Kern County Water Agency is supportive of the direction Chairman Calvert has charted in authorizing CalFed and looks forward to working with the Chairman, Congressman Miller and other members of the subcommittee and full committee in this effort.

In our view, the ability to use up to 8500 cubic feet per second ("cfs") of existing capacity at the State Water Project's ("SWP") Banks pumping plant ("Banks") in the immediate future, with corresponding protections and improvements for South Delta water users, is a crucial test of CalFed's ability to fulfill its promise and its ability to survive. As the Chairman has said, we must "face the reality of moving water south" as a necessary element of CalFed. That reality has been compared to an hourglass with an excess of water above the chokepoint and an excess of demand below it. With appropriate protections for water users in the south Delta, that chokepoint can be loosened to make rapid improvement in our water supply situation and to provide benefits for all stakeholders. The Chairman has identified the critical elements: improving conveyance, streamlining environmental regulations, and enhancing below-ground and above-ground storage. This will improve yield and, coupled with recycling, desalination, and streamlined water transfers, enhance California's overall water supply picture. These water supply projects, when coupled with continued implementation of CalFED's Ecosystem Restoration Plan provide a balanced program that benefits California's water supply and its environment.

IMPROVEMENTS IN CONVEYANCE

The clearest case for improvements in conveyance is at the SWP Banks pumping plant in the south Delta. Improvements in storage have limited usefulness for two thirds of California's population and millions of acres of productive farmland unless that water can be moved through Banks. A key feature of the "soft path" alternative that was selected by CalFed is enhancement of the approved capacity at Banks. That capacity is currently artificially limited to 6,680 cfs by permit limitations administered by the Army Corps of Engineers under Section 10 of the Rivers and Harbors Act. The CalFed through-Delta conveyance alternative we are attempting to implement was intended to be a package including ecosystem improvements and conveyance improvements, along with other elements including storage, with approval of 8,500 cfs pumping at Banks this month. That significant improvement in California's water supply can be achieved quickly with minor improvements to protect South Delta water users and Contra Costa Water District.

Prioritize Banks Enhancements and Improvements for South Delta Water Users

To achieve balance, CalFed must prioritize the enhancements at Banks until 8500 cfs at Banks has been approved and progress toward restoring a balanced implementation is made. Physical improvements to protect the South Delta water users including dredging of channels, extension of South Delta user intake pumps and permanent operable barriers to prevent any harm to South Delta users should also proceed at a quicker pace. The improvements to protect other Delta water users should also proceed immediately including relocation of Contra Costa intakes, operational improvements, and progress on expanding Los Vaqueros Reservoir. Implementation of 8500 cfs at Banks will also maximize the utility of new storage space north of the Delta and facilitate funding of new storage as mutually beneficial uses are explored. Direction

from congress to implement these improvements will ensure they are accomplished in a manner that maintains CalFED's overall balance.

Joint Point of Diversion Should be Implemented

Another significant improvement in conveyance that can be accomplished quickly is implementation of the joint point of diversion ("JPoD"). Use of the JPoD is currently limited by fishery restrictions that were part of a pre-Environmental Water Account agreement. Now that the EWA is in place and functioning, those restrictions should be lifted to allow greater water supply benefit from the JPoD. The JPoD holds promise of improved cooperation between the State Water Project and Central Valley Project ("CVP") as the proper implementation of mutual use of SWP conveyance capacity and CVP storage capacity is explored. The SWP has been a project where conveyance capacity utility has been hampered by inadequate storage north of the Delta. Similarly, CVP north of Delta storage utility has been hampered by inadequate conveyance capacity to south of Delta users.

IMPROVEMENTS IN SURFACE AND UNDERGROUND STORAGE

There has been significant emphasis in prior hearings on surface storage. Development of additional surface storage is clearly needed and it should be developed without harming existing users. The development of surface storage takes significant time, however. Currently pre-feasibility and feasibility studies are proceeding and their progress should be closely monitored and encouraged. Time is of the essence as California seeks to avoid catastrophic effects when the next drought occurs. We cannot afford to wait while this work progresses, however; we must pursue development of additional underground storage in suitable aquifers so that precious water lost in wet years is minimized.

Our Agency has been a leader in the development of underground storage utilizing existing vacant space in aquifers. This space, created by overdraft in prior decades, constitutes a valuable resource that is available to local agencies for storage of flows in wet years. That stored water can later be extracted, with appropriate protections for overlying users, for use during critically dry years. While it is a tremendous asset, it does have constraints that must be recognized. First, overlying users must be protected by appropriate protections tailored to the local site to prevent inadvertent exacerbation of overdraft and localized problems during the extraction phase. In Kern, these protections were only achieved through long, hard, negotiations between potential bankers and overlying users. Local control of the process also facilitates continuous monitoring to respond quickly to any problems that develop. Second, the nature of the underground storage or "water banking" makes extraction capacity critical. The ability to appropriately coordinate extraction with surface water supplies can greatly enhance flexibility and reduce extraction cost. Improvements mean not only the development of new pumping capacity, but also the enhancement of conveyance to facilitate exchanges with surface water supplies.

Language was included in HR 2641 that would require the state to pass legislation regulating the use of groundwater before any federal money would be available for storage or conveyance projects. The state, through the State Water Resources Control Board recently reviewed this issue and determined that the groundwater regulation was best left to those local agencies to whom the legislature has given that responsibility, and that the involvement of the state should be limited to a case-by-case basis where conflict occurs.

CalFED's ability to implement its programs in a balanced manner would also be affected by a requirement for state groundwater legislation. If the state is not able to pass legislation then no federal money would be available for the storage or conveyance components of CalFED. As a result, balanced implementation would be out of CalFED's control and instead subject to the political winds of the legislature. Those who do not support CalFED could work to defeat state groundwater legislation thereby creating an imbalance that would stop work on all CalFED programs.

REGULATORY STREAMLINING

Improvement of Science

CalFed has significantly improved the scientific processes for developing knowledge about the Sacramento-

San Joaquin Delta. Through CalFed, knowledge of the effects of actions taken in and outside the Delta has been improved. The facilitation of peer review of previously untested theories has proven especially beneficial. Yet, the improving science has not been readily accepted by some regulatory agencies and very little of the new science has been used to modify and improve existing regulations.

Failure of Effective Communications to Regulatory Agencies

The usefulness of this improved scientific knowledge is directly related to its dispersal and utilization by the regulatory agencies that govern the Delta, largely through their control of regulation under the federal Endangered Species Act. The assumption that links water use to declines of Delta species continues to persist in some regulatory circles. The reality is that the decline and recovery of species in the Delta is governed by many other factors. Ecosystem improvements have had significant successes in the recovery of species populations. Species in the Delta undergo natural variation in population size dependent upon a host of natural conditions. As science improves our understanding of these complex systems, regulatory agencies tend to be slow to accept the new scientific understanding and slower to apply it to their regulations.

Case in Point: Persistent Attempts to List Splittail

A case in point is the continuing attempt by the U.S. Fish and Wildlife Service to list the Sacramento Splittail under the federal Endangered Species Act. Most scientists, including those at the California Department of Fish and Game, do not believe the Splittail should be listed. In fact, the United States District Court for the Eastern District of California found that the previous listing of the species was arbitrary and capricious and ordered the Fish and Wildlife Service to reconsider. That reconsideration has been ongoing for years while Fish and Wildlife Service staff attempts to find a scientifically valid theory justifying listing.

TRANSFERS AND WATER BANKING

Water Transfers as Tools for Efficient Water Management

Our Agency has found temporary water transfers to be useful tools in the efficient management of water. Transfers help avoid significant pumping costs by reducing power usage and demand for pumping capacity. They can move water to areas in temporary need of water for return to the transferring area when it needs water. They can help match storage capacity with conveyance capacity. The combination of these uses can create tremendous flexibility in water management when they are not restrained by unnecessary red tape. However, full utilization of these temporary water transfers demands flexibility and prompt action. Facilitation of the environmental reviews and approvals of such actions can yield tremendous gains.

Long term and permanent transfers pose more significant issues. In particular, the impacts on local economies of water transfers, which may be essential for jobs and economic stability in the transferring communities, must be carefully considered and appropriate mitigation provided where impacts are found. In the long run however, rural communities must not be sacrificed for the benefit of others. Long term success in CalFed is only assured by enhancing the water supply for all.

Water Transfers Do Not Increase Overall Water Supply Automatically

Water transfers can do many things, but they do not increase storage capacity by themselves. They do not increase conveyance capacity by themselves. They can facilitate mutually beneficial agreements between areas of the State to provide for increased storage and conveyance that will improve our water supply. For example, we have a number of programs with the Metropolitan Water District of Southern California ("Met") in which Met water is transferred to Kern for storage in wet years for return to Met in dry years. These programs have involved utilizing the economic vitality of Southern California to fund improvements in our storage and conveyance capacity as part of the consideration offered by Met. Thus Met increases its dry year supply by transferring water to Kern in wet years and financing storage and conveyance improvements in Kern which provide benefits to all involved.

Increased Capacity at Banks as Critical

Water transfer and groundwater banking programs require moving water in wet years when the water is

available in the Delta. The challenge is moving the water to into groundwater banking projects south of the Delta. Banks pumping plant is the critical path that would allow more wet-year water to be stored for use in dry years. Cooperative use of Banks, or potential enlargement of the CVP Tracy pumping plant and Delta-Mendota canal are of equal importance for the federal CVP.

CONCLUSION

At its outset CalFed held out the promise of mutually beneficial improvements in the Sacramento-San Joaquin Delta system as a mechanism for improving the levees and ecosystems of the Delta, water supply and water quality. Many ecosystem improvements have been made in the Delta and our scientific understanding of the Delta has improved, but these improvements have not been effectively communicated within the federal and state regulatory agencies delaying scheduled enhancements and improvements to water supply and Delta water quality. The ability of CalFed to expand pumping capacity at the Banks Pumping Plant and implement the South Delta improvements to protect Delta users is a clear test of the viability of CalFed. The linkages between ecosystem improvements delivered thus far, and the scheduled water supply and quality improvements that are CalFed's "next step," must be effectively communicated to regulatory agencies along with the supporting science.

Failure of CalFed to deliver these benefits would severely cripple the process. We cannot fail to recognize that improvements at Banks Pumping Plant (with appropriate Delta protections) and mutually beneficial agreements for the coordination of capacity and storage hold the most immediate promise for improvement in California's water supply and its ecosystem. To fail to recognize this fact would be a harbinger of the inability to achieve the long-term decisions on needed storage capacity. CalFed must improve its ability to communicate its policy and science successes to the regulatory agencies that participate in it. Absent that improvement, stakeholders will be forced to pursue their objectives outside CalFed's balanced framework.